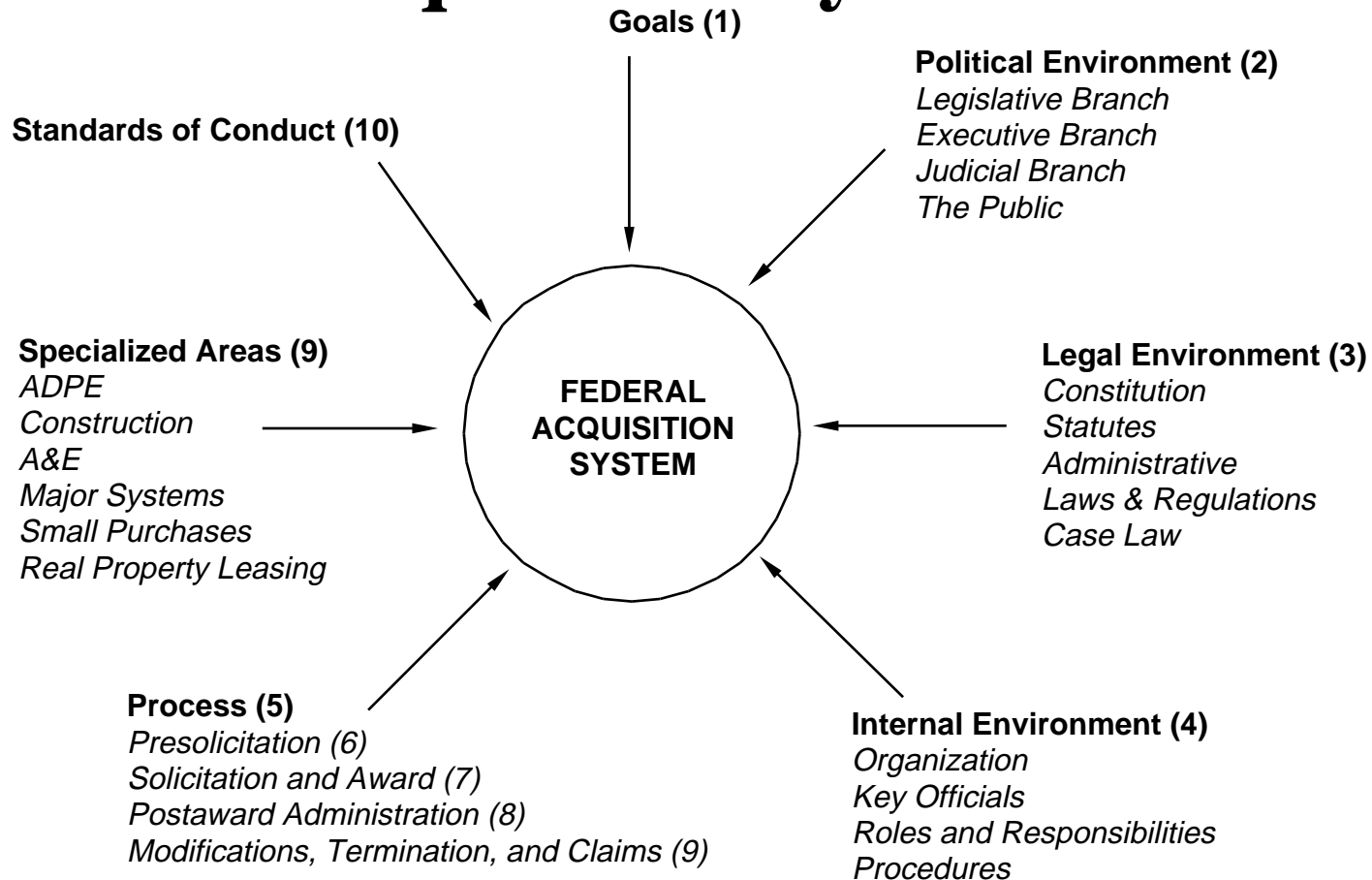


Components of the Federal Acquisition System



Elements of a Contract

- **Offer**
- **Acceptance**
- **Consideration**
- **Execution by Competent Parties**
- **Legality of Purpose**
- **Clear Terms and Conditions**

Goals of Federal Acquisition Process

Preadward Goals

- **Obtain the optimum market response to requirements for supplies/services, in terms of:**
 - **Quality**
 - **Timeliness**
 - **Cost**
- **While:**
 - **Accomplishing socioeconomic objectives**
 - **Minimizing business and technical risks**
 - **Maximizing competition**
 - **Maintaining Integrity**

Socioeconomic Objectives

Examples:

- **Use small and small/disadvantaged business firms**
- **Use business firms in labor surplus areas**
- **Pay prevailing wage**
- **Clean the environment**
- **Provide employment opportunities for Americans**
- **Ensure equal employment opportunity**
- **Get drugs out of the workplace**

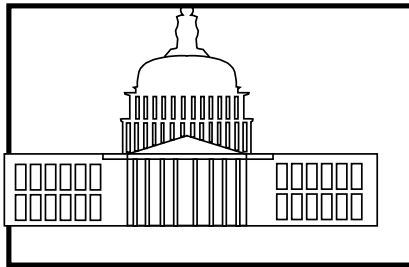
Goals of Federal Acquisition Process

Postaward Goals

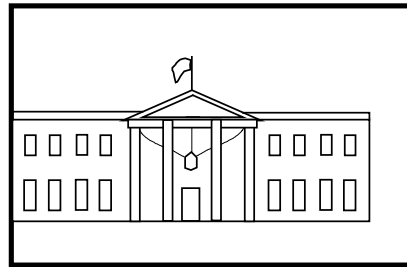
Assure that purchased supplies/services are:

- **Delivered or performed when and where specified in the contract**
- **Acceptable, in terms of conforming to the contract's specifications or statement of work**
- **Furnished in compliance with other terms and conditions of the contract**

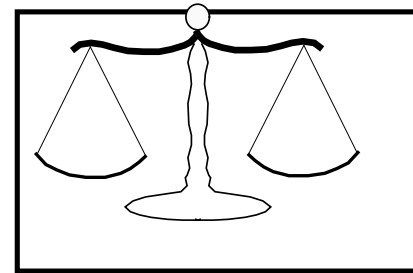
Government Affects Acquisition Process



**Legislative
Branch**



**Executive
Branch**



**Judicial
Branch**

Acquisition Process

Legislative Branch (Congress)

Roles Relating to Acquisition:

- **Passes Laws**
- **Appropriates Money**

Executive Branch (The President)

Roles Relating to Acquisition:

- **Develops plans, programs, and budgets for consideration by Congress**
- **Executes budgets - implements Congressional authorized plans and programs**
- **Supplements and augments statutory acquisition policies**
- **Develops and maintains the Federal acquisition regulatory system**

Judicial Branch (The Courts)

Roles Relating to Acquisition:

- **Give meaning to (or serve to interpret):**
 - **Laws passed by the legislative branch, or**
 - **Policies and regulations originated by the executive branch**
- **Render decisions pertaining to the terms and conditions of a specific contract**
- **Ensure the constitutionality of the laws and interpret the laws**

Public Participation

Roles Relating to Acquisition:

- **Influence Congress to pass or alter legislation**
- **Comment on proposed rules**
- **Participate in the acquisition process as suppliers**
- **Are clients of Federal programs and contracts that support those programs**

Sources of Federal Contract Law

- **The Constitution**
- **Statutes**
- **Administrative Law**
- **Common Law**

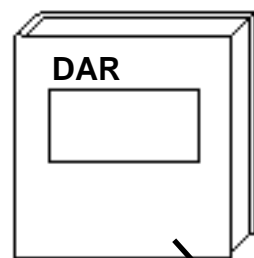
The Federal Acquisition Regulatory System

Federal Acquisition Regulation (FAR) + **Agency Supplements to the FAR** + **Internal Agency Guidance** = **Federal Acquisition Regulatory System**

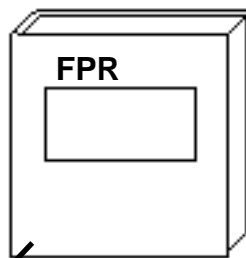


Includes:

- **Delegations of authority**
- **Assignments of responsibility**
- **Work-flow procedures**
- **Internal reporting requirements**

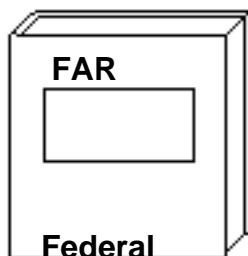


**Defense
Acquisition
Regulation**



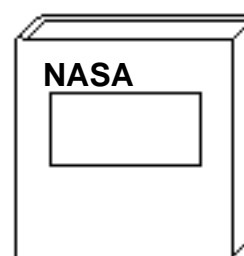
**Federal
Procurement
Regulation**

**Merged to
become:**



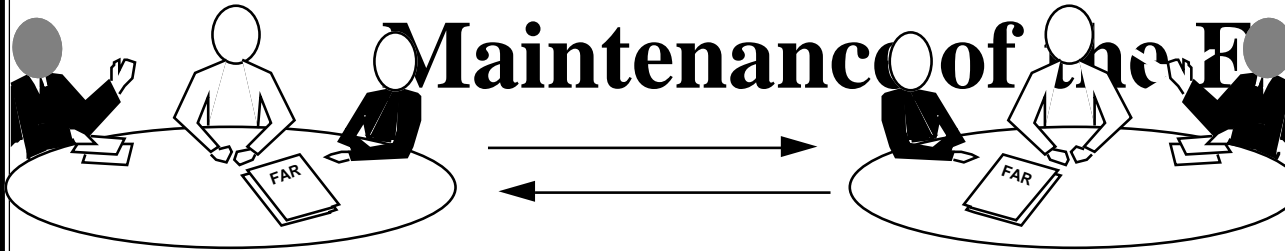
**Federal
Acquisition
Regulation**

Also included



**NASA Procurement
Regulations and
Procurement Regulations of
other Executive Agencies**

Maintenance of the FAR



**Defense Acquisition
Regulatory Council**

**Civilian Agency
Acquisition Council**

**FAR Secretariat
Provides Administrative Support**

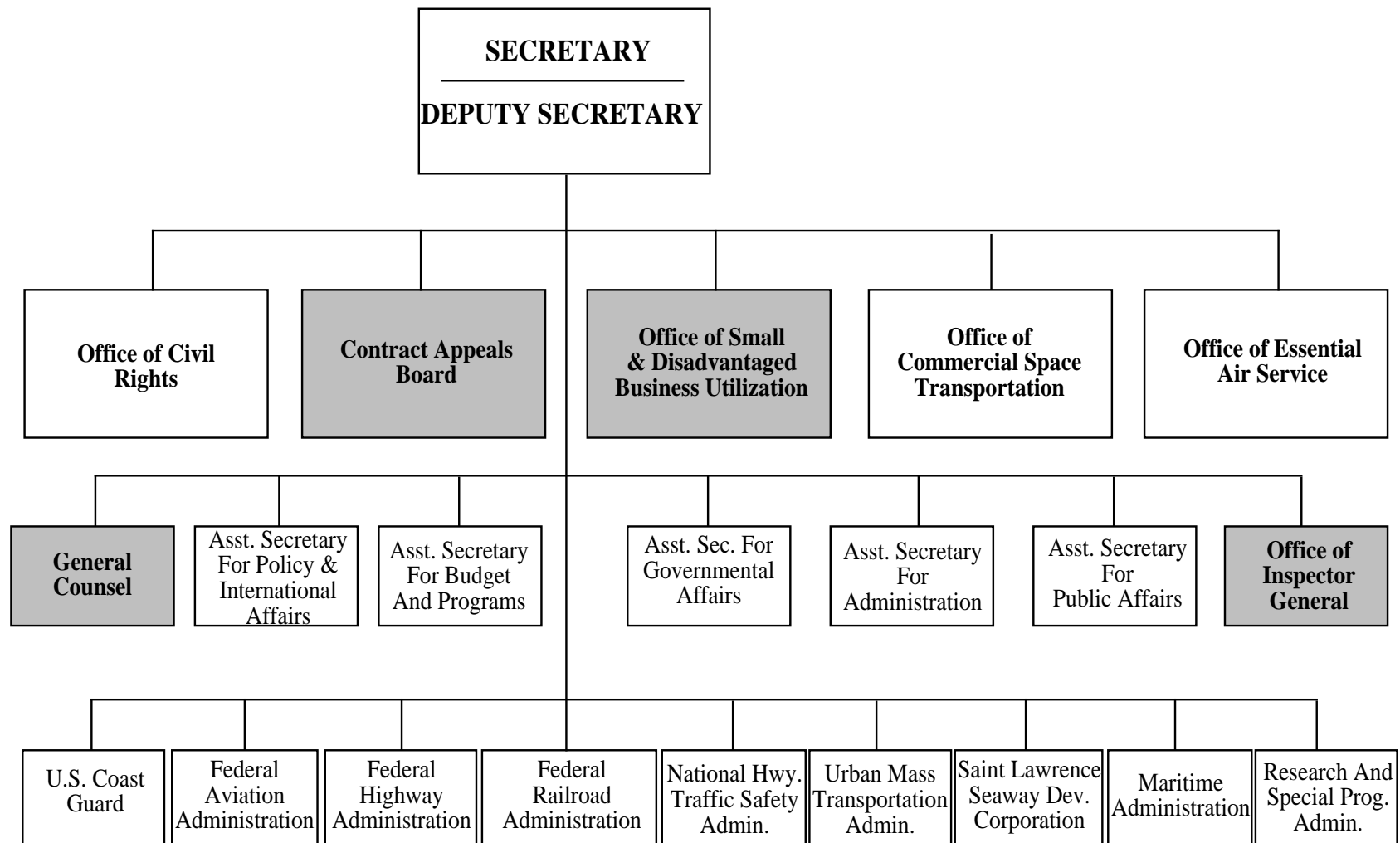
FAR Organizations

Parts 1-4	Subchapter A -- General
Parts 5-12	Subchapter B -- Acquisition Planning
Parts 13-18	Subchapter C -- Contracting Methods and Contract Types
Parts 19-26	Subchapter D -- Socioeconomic Programs
Parts 27-33	Subchapter E -- General Contracting Requirements
Parts 34-41	Subchapter F -- Special Categories of Contracting
Parts 42-51	Subchapter G -- Contract Management
Parts 52-53	Subchapter H -- Clauses and Forms
Parts 54-99	Reserved

FAR Organization

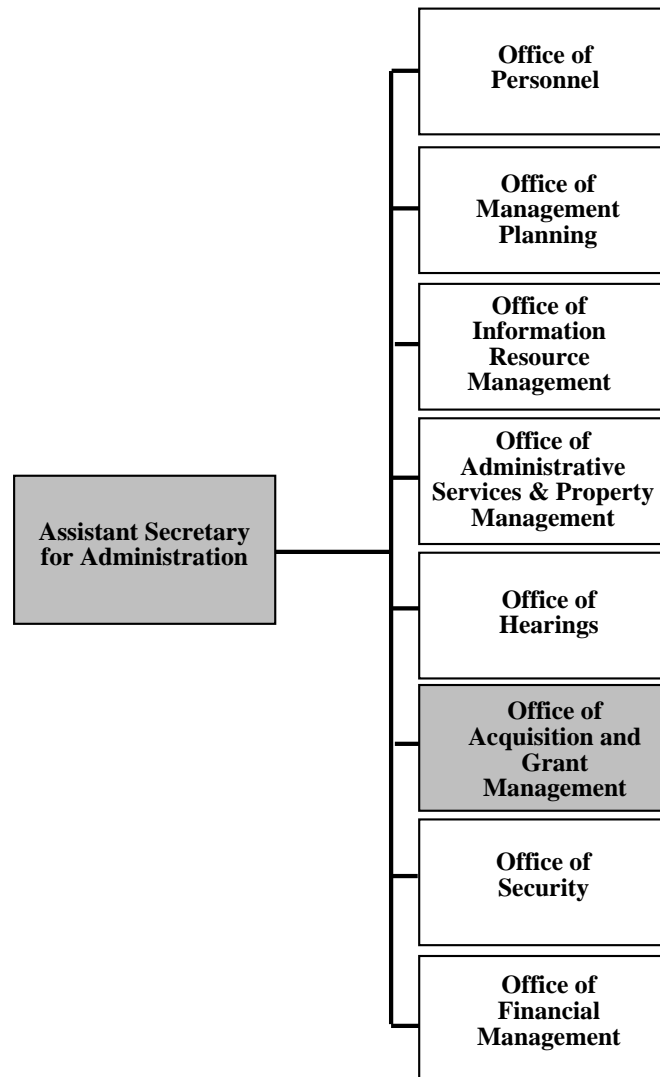
<u>FAR Divisions</u>	<u>FAR #</u>	<u>Example</u>
Part	<u>14</u>	Sealed Bidding
Subpart	14. <u>1</u>	Use of Sealed Bidding
Section	14.10 <u>3</u>	Policy
Subsection	14.103- <u>1</u>	General

U.S. Department of Transportation

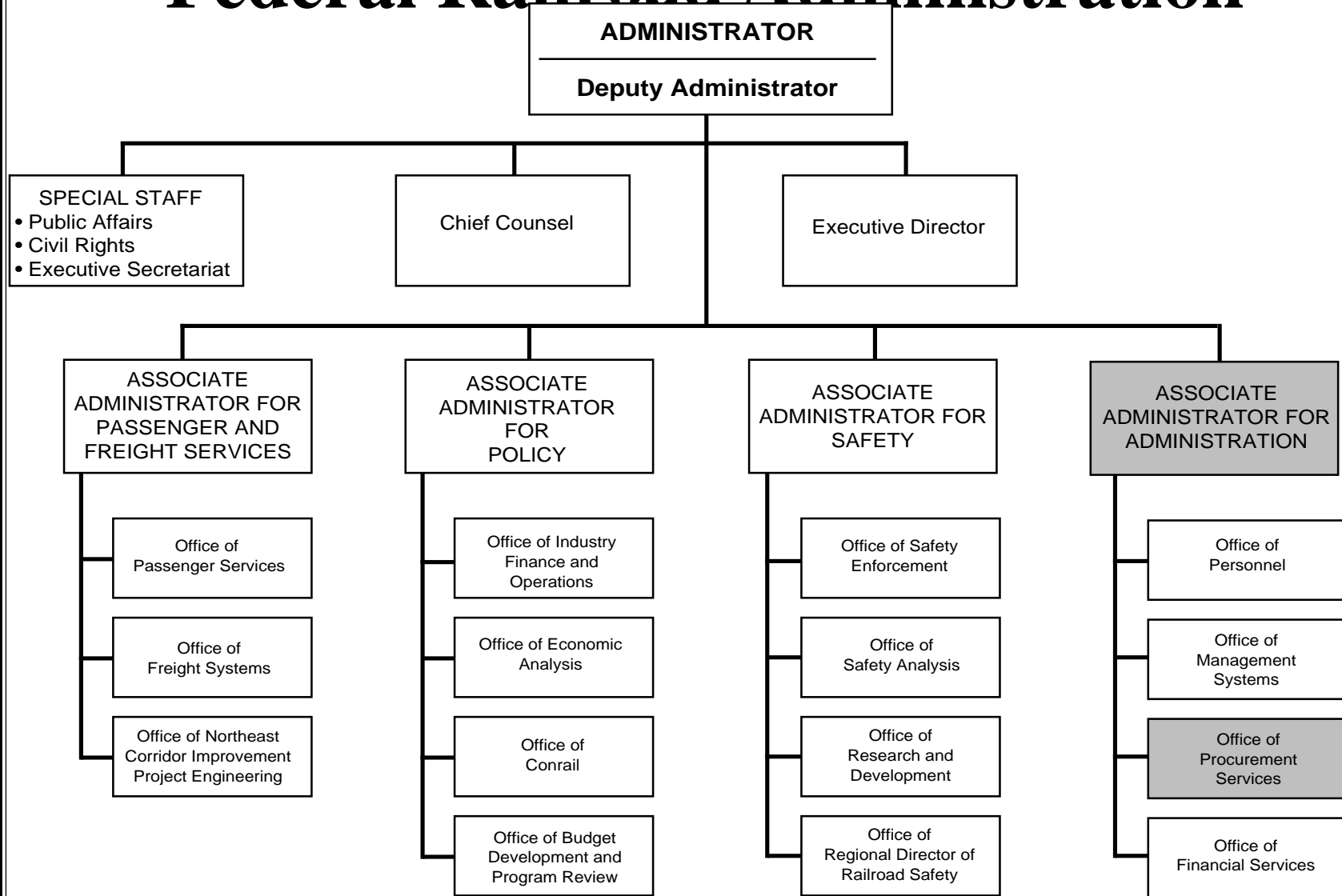


U.S. Department of Transportation

Asst. Secretary for Administration



Federal Railroad Administration



Contracting Officers

- **PCO**
- **ACO**
- **TCO**

Contracting Personnel (GS-1102)

- **Contract Specialist**
- **Contract Negotiator**
- **Contract Administrator**
- **Contract Price/Cost Analyst**
- **Contract Termination Specialist**
- **Procurement Analyst**

Contracting Officer Representatives

- **COR**
- **COTR**

Other Acquisition Personnel

- **Program/Requirements Managers**
- **Quality Assurance Specialists**
- **Transportation, Logistics, and Supply Specialists**
- **Property Managers**
- **Auditors and Accountants**

Other Acquisition Personnel (Con't)

- **Legal Counsel**
- **Small Business Advocates**
- **Competition Advocates**
- **Other Interested Parties**

Presolicitation Functions

- 1. Determination of Need**
- 2. Initiating the Procurement**
- 3. Analysis of Requirement**
- 4. Sourcing**

Solicitation-Award Functions

- 1. Solicitation**
- 2. Evaluation**
- 3. Award**

Post-Award Functions

- 1. Start-Up**
- 2. Quality Assurance**
- 3. Payment and Accounting**
- 4. Closeout**
- 5. Contract Modification**
- 6. Termination**
- 7. Claims**

Goals of Federal Acquisition Process

Preaward Goals

- **Obtain the optimum market response to requirements for supplies/services, in terms of:**
 - **Quality**
 - **Timeliness**
 - **Cost**

- **While:**
 - **Accomplishing socioeconomic objectives**
 - **Minimizing business and technical risks**
 - **Maximizing competition**
 - **Maintaining Integrity**

The Federal Acquisition Process Chart

Presolicitation and Solicitation-Award Phases

THE ACQUISITION PROCESS

PRESOLICITATION PHASE				SOLICITATION-AWARD PHASE			
DETERMINATION OF NEED	INITIATING THE PROCUREMENT	ANALYSIS OF REQUIREMENT	SOURCING	SOLICITATION	EVALUATION Sealed Bidding Negotiation		AWARD
Determination of Need Forecasting Requirements Acquisition Planning	Processing the PR Purchase Requests Funding Market Research Market Research	Analysis of Requirements Specifications Statements of Work Services	Extent Of Competition Required Sources Set Asides 8(a) Procurements Competition Requirements Unsolicited Proposals Selection Factors Lease vs. Purchase Price Related Factors Technical Evaluation Factors Procurement Method Method Of Procurement Procurement Planning Procurement Plans	Terms and Conditions Contract Types Letter Contracts Contract Financing Use of Government Property Bonds (need for bonds) Solicitation Preparation Soliciting Offers Publicizing Proposed Procurements Preaward Inquiries Prebid/Preproposal Conferences Amending Solicitations Cancelling Solicitations	Bid Evaluation Processing Bids Time Extensions For Bids Late Bids Bid Prices Responsiveness	Proposal Evaluation Processing Proposals Technical Evaluation Price Objectives Price-Related Certificates Audits Cost Analysis Evaluating Other Terms and Conditions Competitive Range Discussions Factfinding Negotiation Strategy Conducting Negotiations	Selection for Award Mistakes In Offers Responsibility Subcontracting Goals Preparing Awards Executing Awards Award Debriefing Protests Protests Fraud Fraud And Exclusion

The Federal Acquisition Process Chart

Post-Award Phase and Modifications, Termination and Claims

THE ACQUISITION PROCESS

POST-AWARD ADMINISTRATION PHASE				SPECIALITIES			
START-UP	QUALITY ASSURANCE	PAYMENT AND ACCOUNTING	CLOSEOUT	CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS
Planning Contract Administration Planning Post-Award Orientations Ordering Orders Against Contracts/Agreements) Subcontracting Consent To Subcontracts	Monitoring and Problem Solving Monitoring, Inspection and Acceptance Delays Stop Work Remedies A. Selection B. Cure or show cause notice C. Liquidated damages D. Rejection of work E. Express warranty or guarantee F. Implied warranty G. Latent defects Property Property Administration Reporting Performance Problems Fraud And Exclusion	Payment Limitation Of Costs Invoices Unallowable Costs Assignment Of Claims Collecting Contractor Debts Progress Payments Price and Fee Adjustments Accounting and Defective Pricing Accounting and Cost Estimating Systems Cost Accounting Standards Defective Pricing	Closeout Closeout	Modifications/Options Contract Modifications A. Contract Modifications B. Exercising Options	Termination Termination A. Determine whether to terminate for convenience or default B. Terminating for convenience C. Terminating for default Bonds (administering bonds)	Claims Claims	ADP/Telecommunications Construction A&E Systems Procurement Simplified Purchasing Real Property Leasing

Goals of Federal Acquisition Process

Postaward Goals

Assure that purchased supplies/services are:

- **Delivered or performed when and where specified in the contract**
- **Acceptable, in terms of conforming to the contract's specifications or statement of work**
- **Furnished in compliance with other terms and conditions of the contract**

Elements Of A Typical Acquisition Plan

1. Acquisition Background and Objectives

-
-
-
-
-

2. Plan of Action

-
-
-
-
-

Specifications

Place X in Appropriate Area

Examples of Specs	Functional	Performance	Design
1. Bathroom must include bathtub and separate shower (SEE BLUEPRINTS)			
2. Provide gasoline powered generator capable of providing ___ watts at ___ amps of electricity for 24 hours on a single 30 gallon tank of fuel			
3. Provide a communication system between construction site and program office			
4. 200 doz. cookies must be IAW FED Spec XYZ			
5. Develop a system for monitoring the nose cone during reentry			
6. Provide 300 tons of steel capable of resisting high temperature to 200° F without breakdown			
7. "Janitorial work" includes dusting, vacuuming, and emptying trash			

Statement of Work

Which items are included in a statement of work?

Yes/No	
1. Packing, packaging, and marking requirements	
2. Names of contracting officials	
3. Contract clauses and solicitation provisions	
4. Delivery schedules or period of performance	
5. General scope of work/objectives	
6. Reporting requirements	
7. Inspection and acceptance criteria	
8. Contractor tasks	
9. Small Disadvantaged Business requirements	
10. Specifications for each deliverable	

Set-Aside Priorities

Number from 1-5, with 1 being the highest priority

_____ Partial set-aside for small businesses

_____ Total labor surplus area set-aside for all concerns
located in labor surplus areas

_____ Total set-aside for small businesses

_____ Total set-aside for small businesses located in
labor surplus areas

_____ Partial set-aside for small businesses located in
labor surplus areas

Other Than FAOC

Choose which have statutory authority
for permitting other than FAOC

	Allow/Do not allow
<p>1. Public interest</p> <p>2. Unusual and compelling urgency</p> <p>3. Only one responsible source and no other supplies/services will satisfy agency requirements</p> <p>4. Only one bid submitted</p> <p>5. National security</p> <p>6. Price reasonableness cannot be determined</p>	

Evaluation Factors

	Price Related	Technical
1.	Expected Life	
2.	Technical approach	
3.	Installation capability	
4.	Operating costs	
5.	Scheduling of work	
6.	Experience	
7.	Qualifications of Key Personnel	
8.	Mean time between failures	
9.	Maintenance and Repair	
10.	Buy American Act	

Conditions for the Use of Sealed Bidding

- **Expectation of receiving more than one sealed bid**
- **Sufficient time to prepare an IFB, receive and evaluate bids, and make award**
- **Competition solely on price and price-related factors—no technical ranking factors**

Milestones

Milestones tracked when soliciting and evaluating offers include:

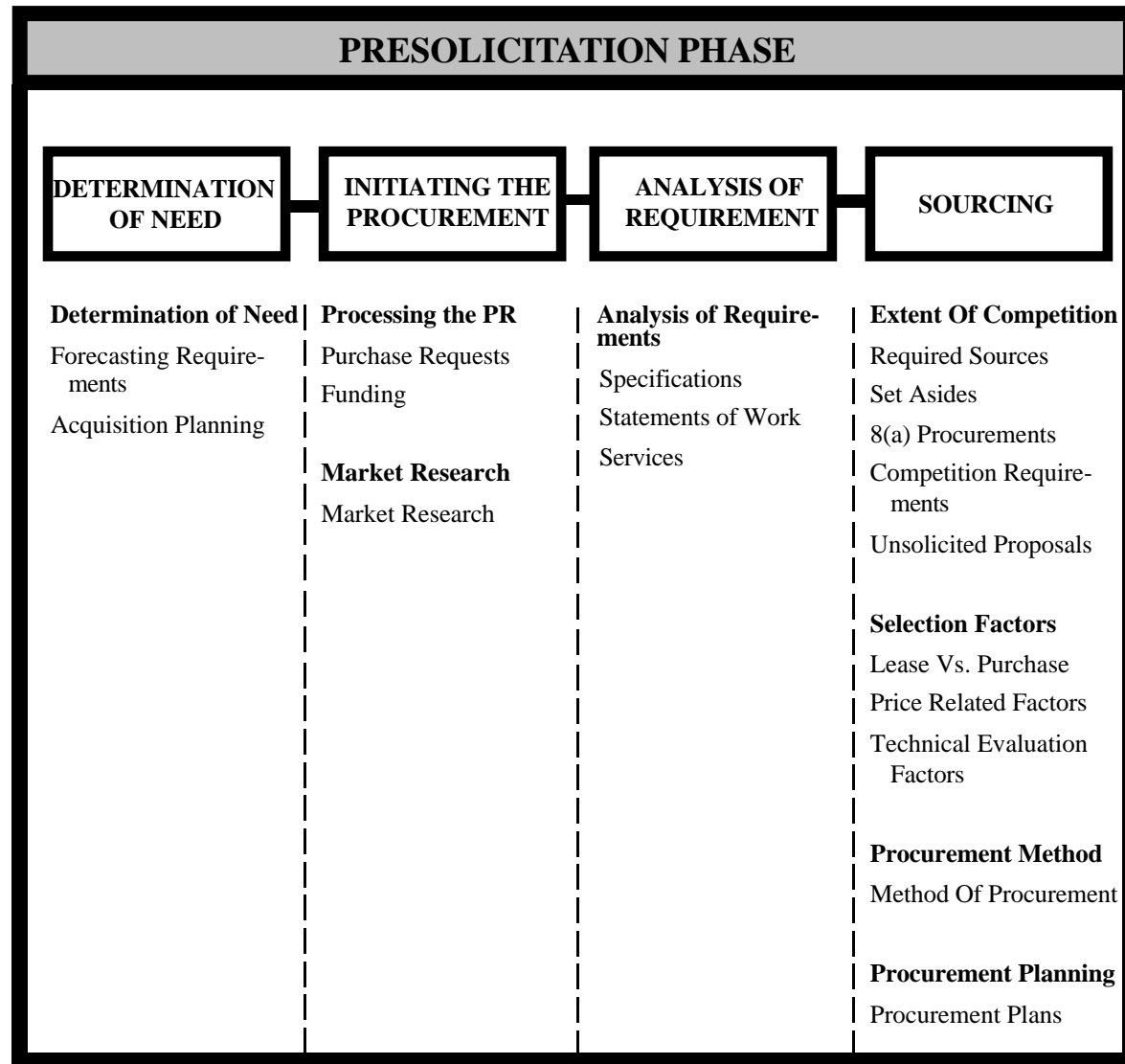
Responsibility of	
1. Complete RFP	
2. Forward CBD synopsis	
3. Mail RFP	
4. Submit by closing date	
5. Open bids	
6. Complete price analysis	
7. Complete technical analysis	
8. Rank offers on technical factors	
9. Establish initial competitive range	

Milestones

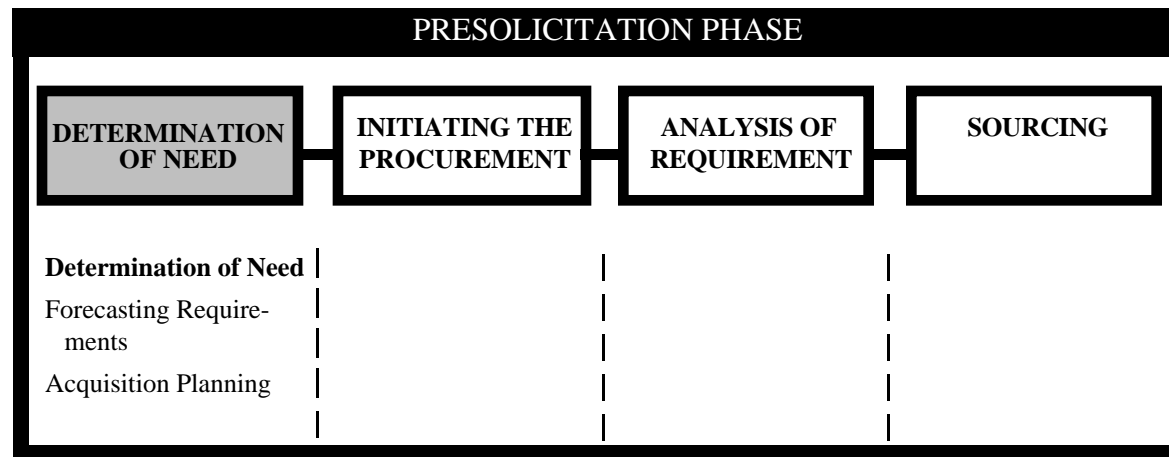
Milestones tracked when soliciting and evaluating offers include:

Responsibility of	
10. Begin discussions	
11. Conclude discussions	
12. Due date for BAFOs	
13. Rank BAFOs on technical factors	
14. Identify the top ranked BAFO based on both technical factors and price	
15. Recommend award to the SSA	
16. Prepare contract	
17. Execute contract	

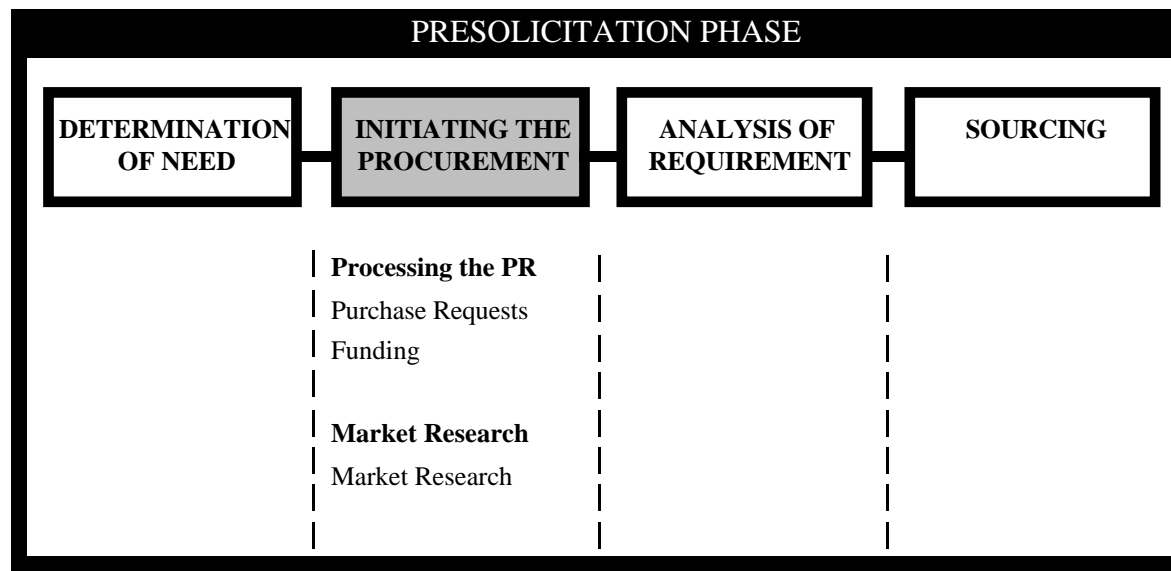
Presolicitation Phase



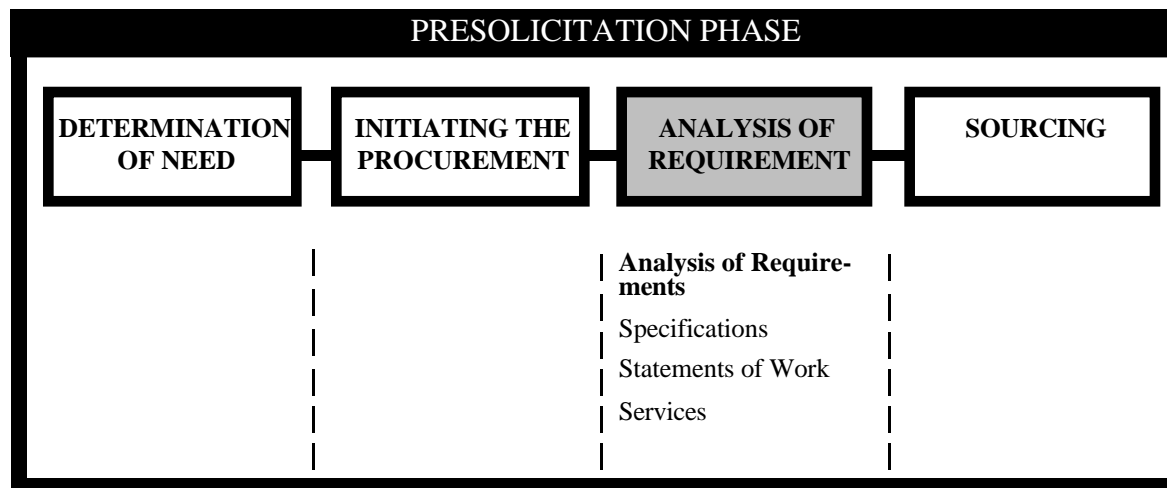
Determination of Need



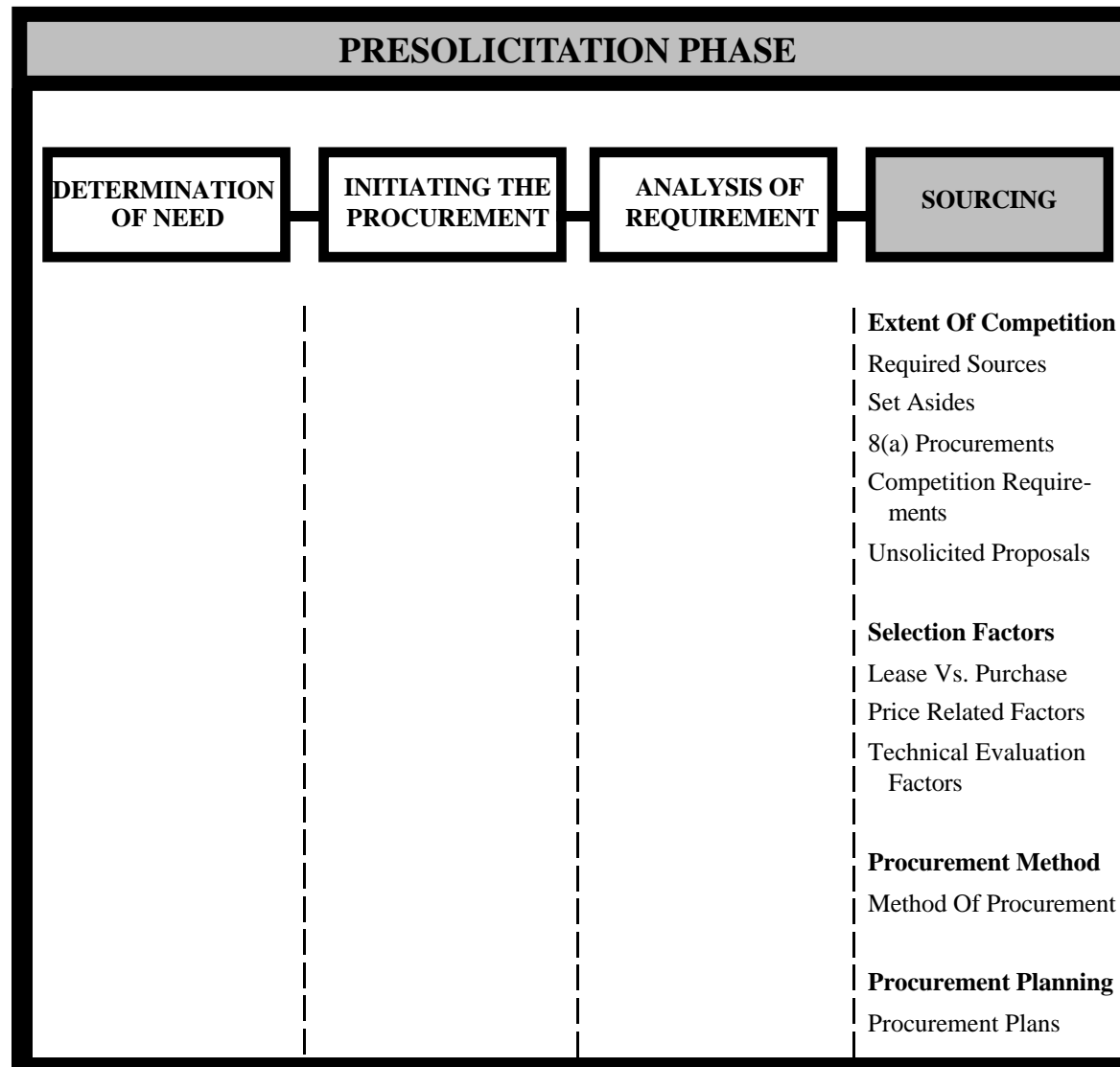
Initiating the Procurement



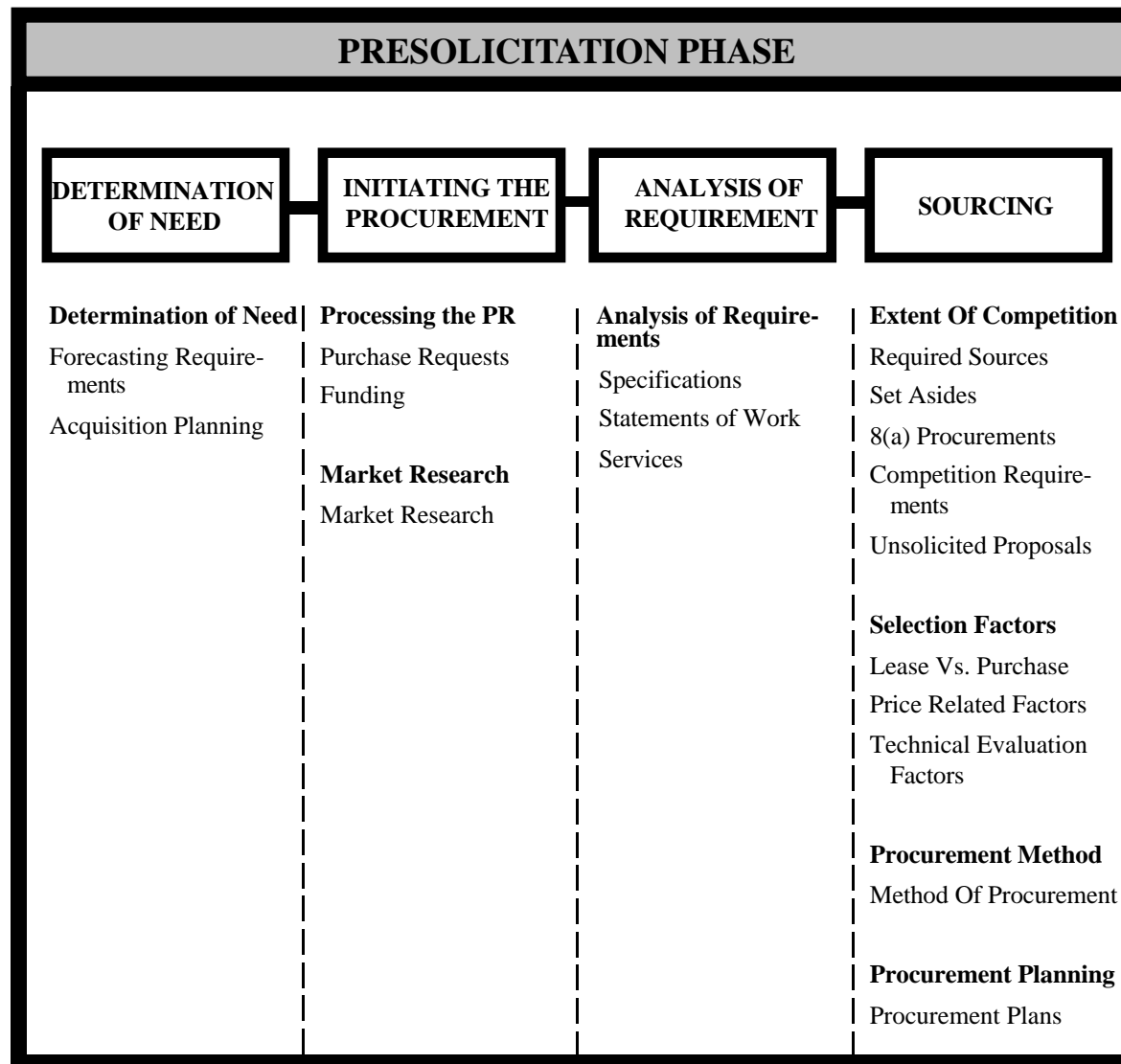
Analysis of Requirements



Sourcing



Presolicitation Phase



Solicitation-Award Phase

SOLICITATION--AWARD PHASE			
SOLICITATION	EVALUATION		AWARD
	Sealed Bidding	Negotiation	
Terms and Conditions	Bid Evaluation	Proposal Evaluation	Selection for Award
Contract Types	Processing Bids	Processing Proposals	Mistakes In Offers
Letter Contracts	Time Extensions For Bids	Technical Evaluation	Responsibility
Contract Financing	Late Offers	Price Objectives	Subcontracting Goals
Use of Government Property And Supply Sources	Bid Prices	Price-Related Certificates Audits	Preparing Awards
Bonds (need for bonds)	Responsiveness	Cost Analysis	Executing Awards
Solicitation Preparation		Evaluating Other Terms and Conditions	Award
		Competitive Range	Debriefing
Soliciting Offers		Discussions	Protests
Publicizing Proposed Procurements		Factfinding	Protests
Preaward Inquiries		Negotiation Strategy	Fraud
Prebid/Preproposal Conferences		Conducting Negotiations	Fraud And Exclusion
Amending Solicitations			
Cancelling Solicitations			

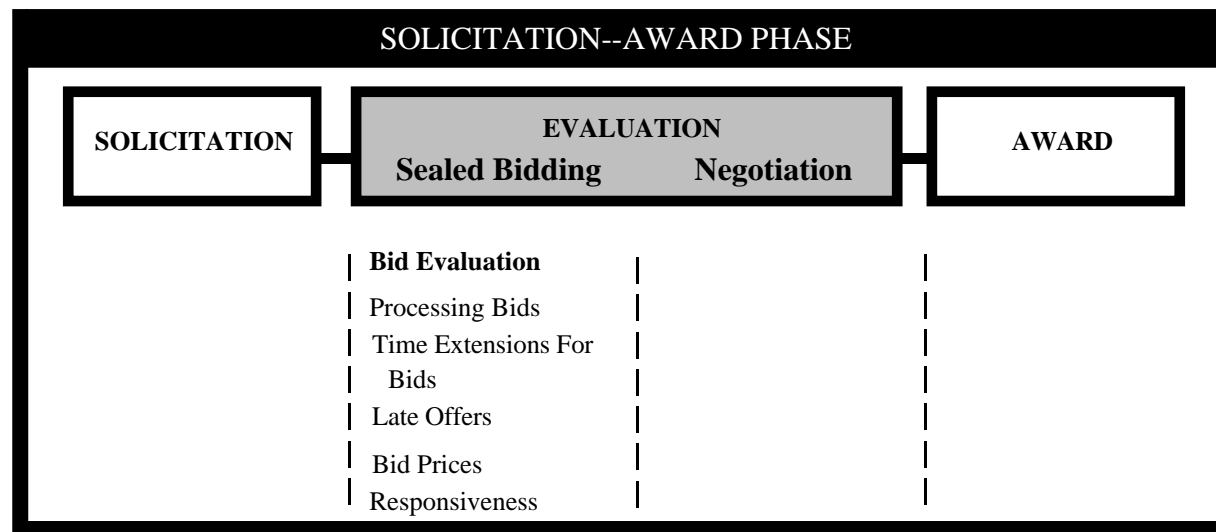
Solicitation

SOLICITATION--AWARD PHASE			
SOLICITATION	EVALUATION		AWARD
	Sealed Bidding	Negotiation	
Terms and Conditions			
Contract Types			
Letter Contracts			
Contract Financing			
Use of Government Property And Supply Sources			
Bonds (need for bonds)			
Solicitation Preparation			
Soliciting Offers			
Publicizing Proposed Procurements			
Preaward Inquiries			
Prebid/Preproposal Conferences			
Amending Solicitations			
Cancelling Solicitations			

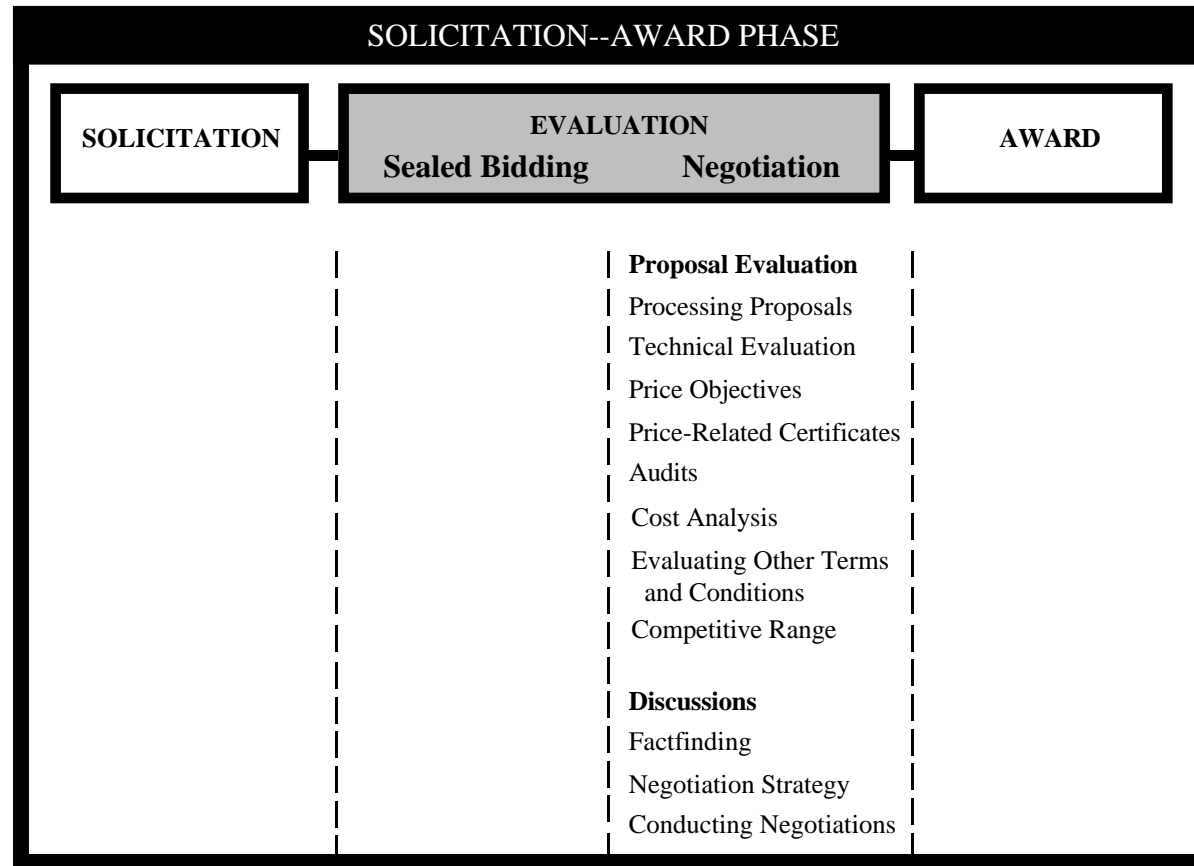
Amend or Cancel?

	Amend	Cancel
1. Requirement no longer exists		
2. Correct or clarify ambiguous solicitation		
3. Change quantity requirements, specifications, delivery requirements, or due date for offer		
4. Funds are no longer available		
5. Overall scope of proposed contract has changed substantially relative to the original synopsis and solicitation		

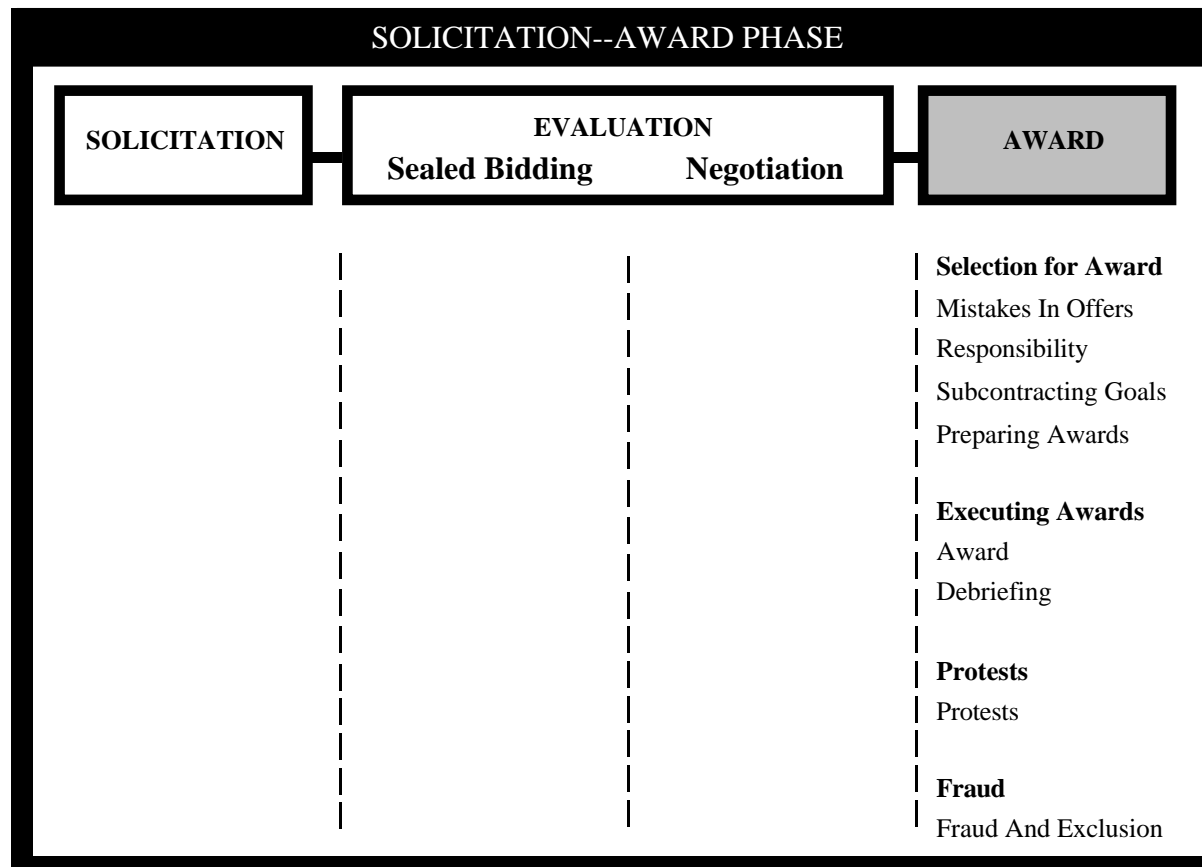
Evaluation (Sealed Bidding)



Evaluation (Negotiation)



Award



Mistakes in Bids

Spot the mistakes in JJ's bid

Examples:

1.	Line Item	Bid Prices
	Type A Nails (50 lbs)	\$12.00
	Type B Nails (50 lbs)	\$1220
	Type C Nails (50 lbs)	\$12.40
	Type D Nails (50 lbs)	\$4.45*

*** Next low bid for Type D nails: \$20.19**

- | | | |
|-----------|------------------------|---|
| 2. | Discounts | 1%/10 days, 2%/20 days, 5%/30 days |
| 3. | FOB Origin | \$3.00 |
| | FOB Destination | \$2.50 |

Preparing Awards

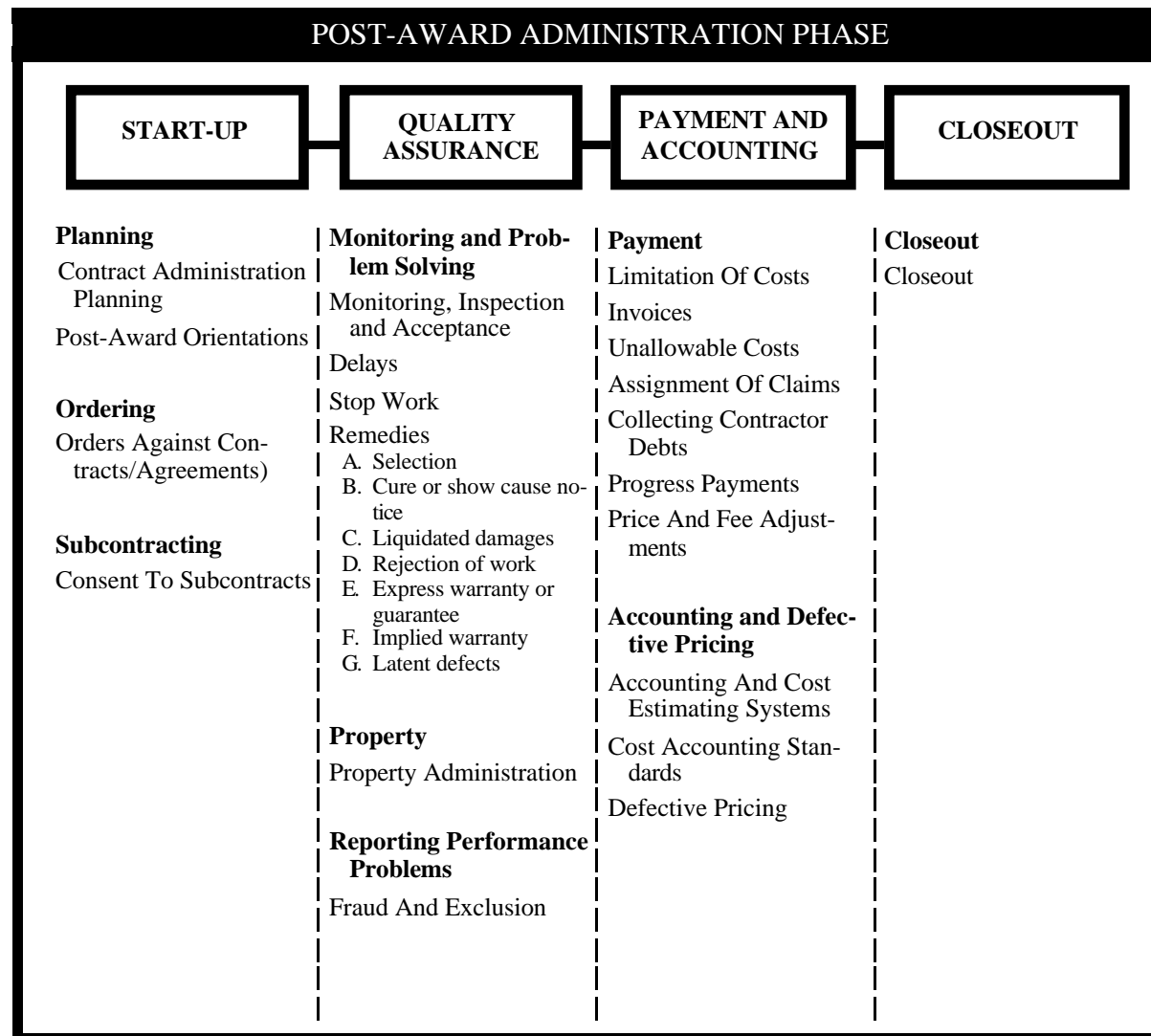
During sealed bidding and negotiation, the CO must ensure that certain things are done before awarding the contract. Which of the following apply to sealed bidding, negotiation, or both?

	Negotiations	Sealed Bidding
1. Multiple awards, if applicable, were made correctly		
2. The competitive range was fairly established		
3. Score or rating has been determined according to the selection plan		
4. Other factors stated in the RFP have been properly considered		
5. Sufficient funds are available for obligation		
6. All requirements of law, executive orders, regulations, and all other applicable procedures have been met.		

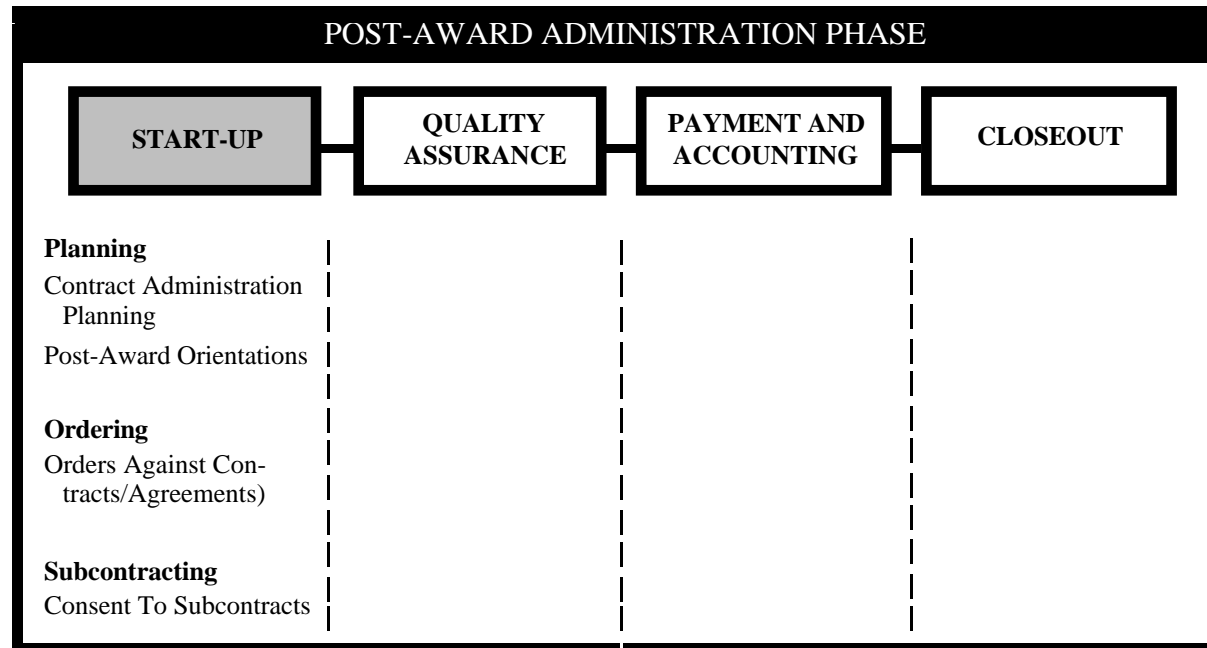
Solicitation-Award Phase

SOLICITATION--AWARD PHASE			
SOLICITATION	EVALUATION		AWARD
	Sealed Bidding	Negotiation	
Terms and Conditions	Bid Evaluation	Proposal Evaluation	Selection for Award
Contract Types	Processing Bids	Processing Proposals	Mistakes In Offers
Letter Contracts	Time Extensions For Bids	Technical Evaluation	Responsibility
Contract Financing	Late Offers	Price Objectives	Subcontracting Goals
Use of Government Property And Supply Sources	Bid Prices	Price-Related Certificates	Preparing Awards
Bonds (need for bonds)	Responsiveness	Audits	Executing Awards
Solicitation Preparation		Cost Analysis	Award
		Evaluating Other Terms and Conditions	Debriefing
		Competitive Range	
Soliciting Offers		Discussions	Protests
Publicizing Proposed Procurements		Factfinding	Protests
Preaward Inquiries		Negotiation Strategy	Fraud
Prebid/Preproposal Conferences		Conducting Negotiations	Fraud And Exclusion
Amending Solicitations			
Cancelling Solicitations			

Post-Award Administration Phase



Start-Up

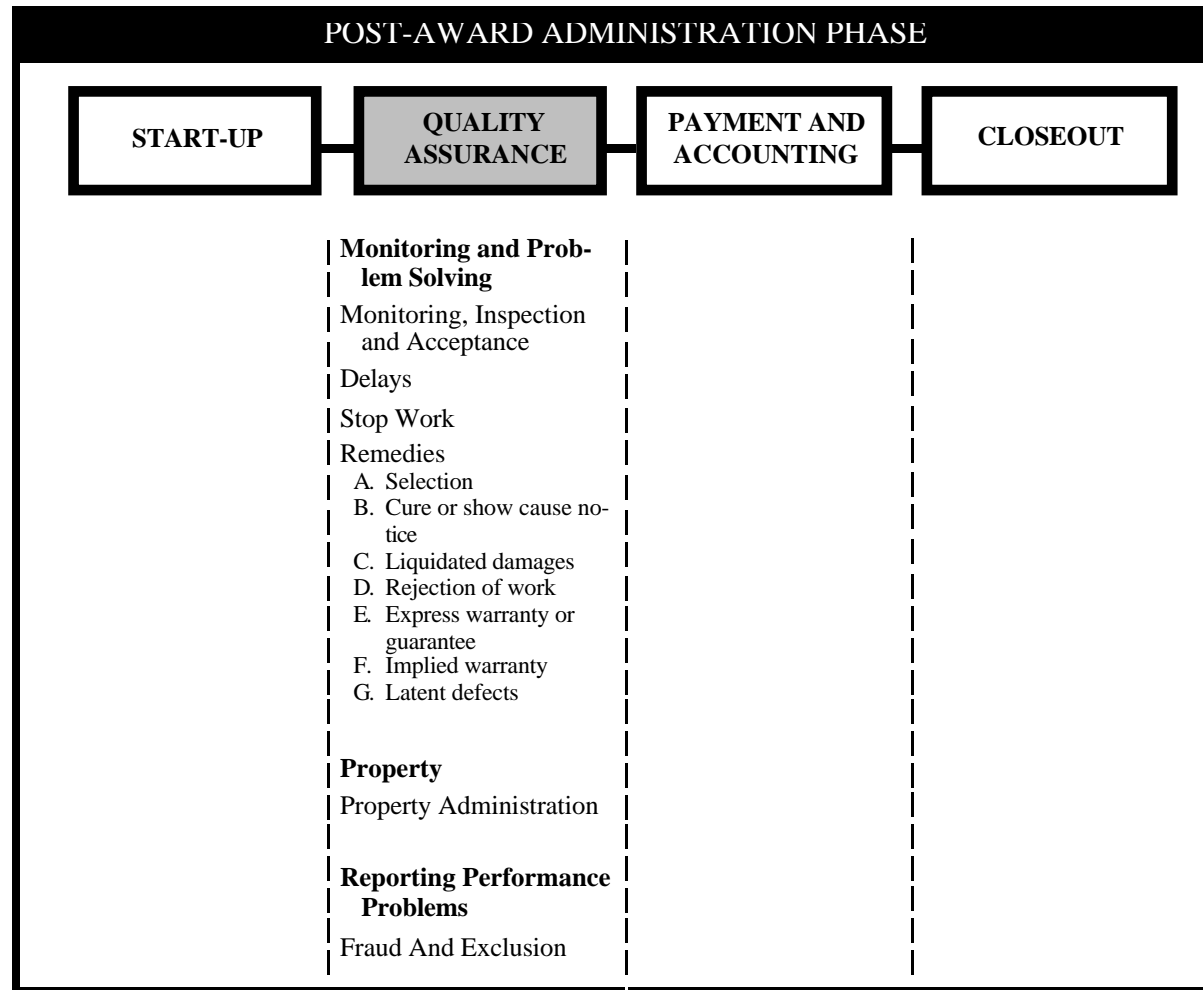


ACO Functions

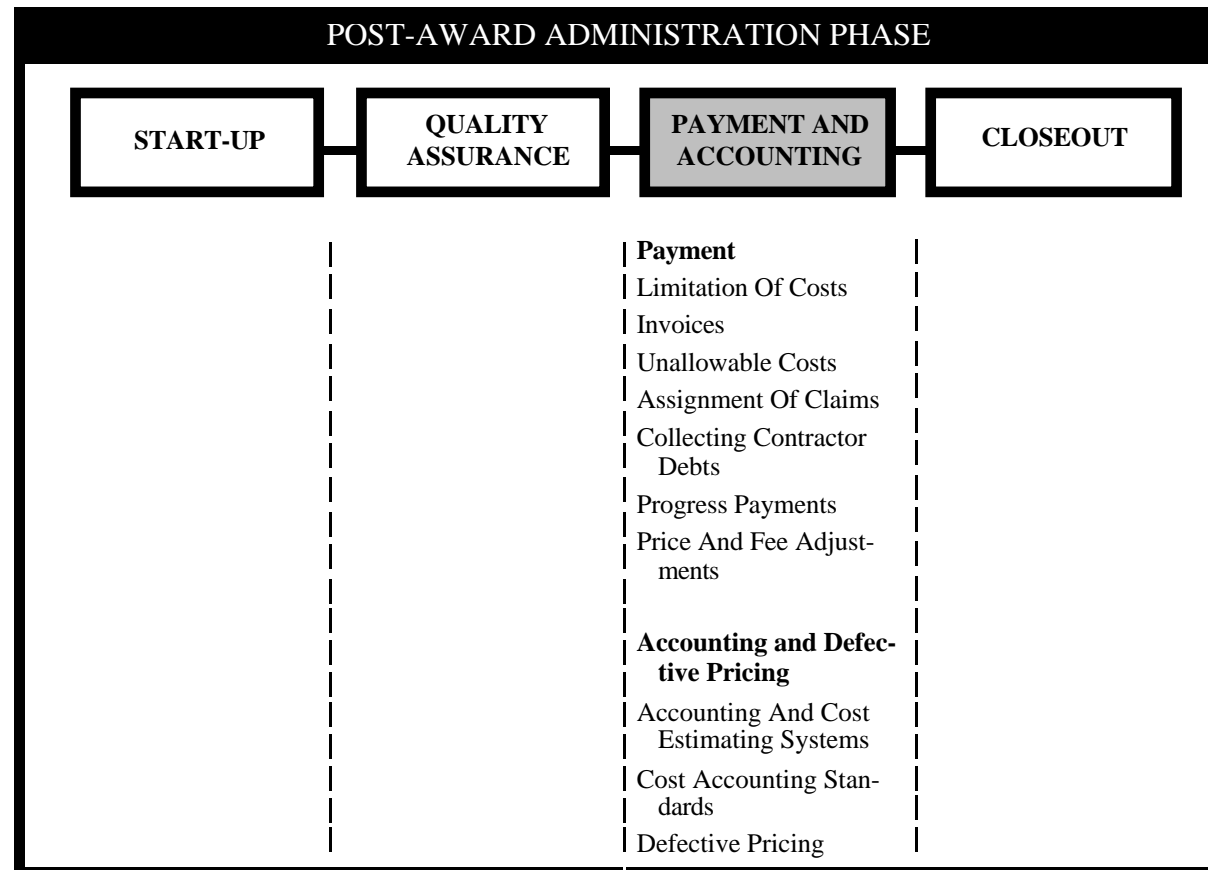
Which are NOT contract administration functions typically delegated to ACOs?

- 1. Conduct postaward orientation conferences**
- 2. Reduce scope of work to fit remaining available funds**
- 3. Administer security requirements, if any**
- 4. Perform property administration**
- 5. Perform technical surveillance**
- 6. Exercise an option**
- 7. Monitor overall performance to help ensure timely deliveries**

Quality Assurance



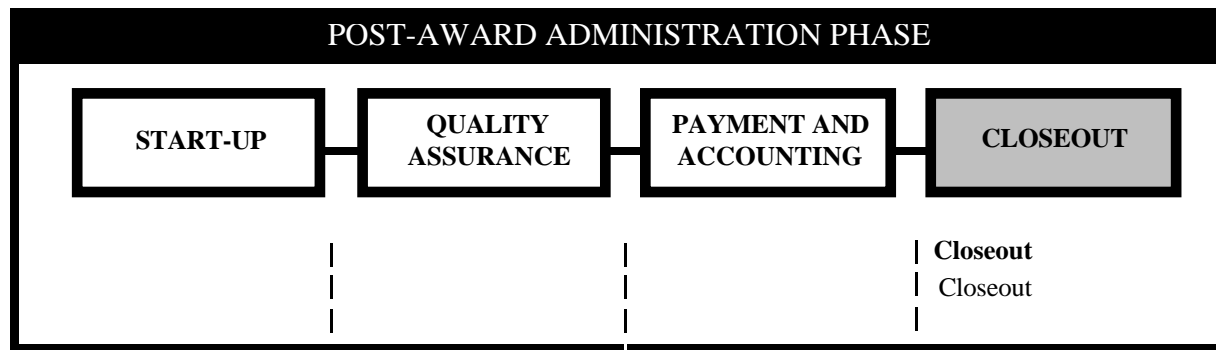
Payment and Accounting



Reimbursable Contractor Costs

Factor	Question	Example
Reasonableness	Is the cost reasonable -- is it what would have been incurred by a prudent person in the conduct of competitive business?	Is the contractor billing the Gov't for rent on unoccupied, unneeded space?
Allocability	Is the Gov't paying its fair share of indirect costs for work under the contract?	Is the Gov't being charged for 100% of the shop foreman's salary, when in fact the shop foreman also supervised work under five other contracts during the billing period?
Accounting Principles	Is the cost properly charged to the Gov't under CAS, or generally accepted accounting principles?	Per the "consistency" principle, has the contractor consistently included the costs of tooling in its manufacturing overhead pool from one billing period to the next?

Closeout



Eight Steps to Contract Closeout

- 1. Verify that the contract is physically complete**
- 2. Obtain forms, reports, and clearances**
- 3. Verify that the Gov't and the contractor have satisfied other terms and conditions for closeout**
- 4. Settle any outstanding issues**

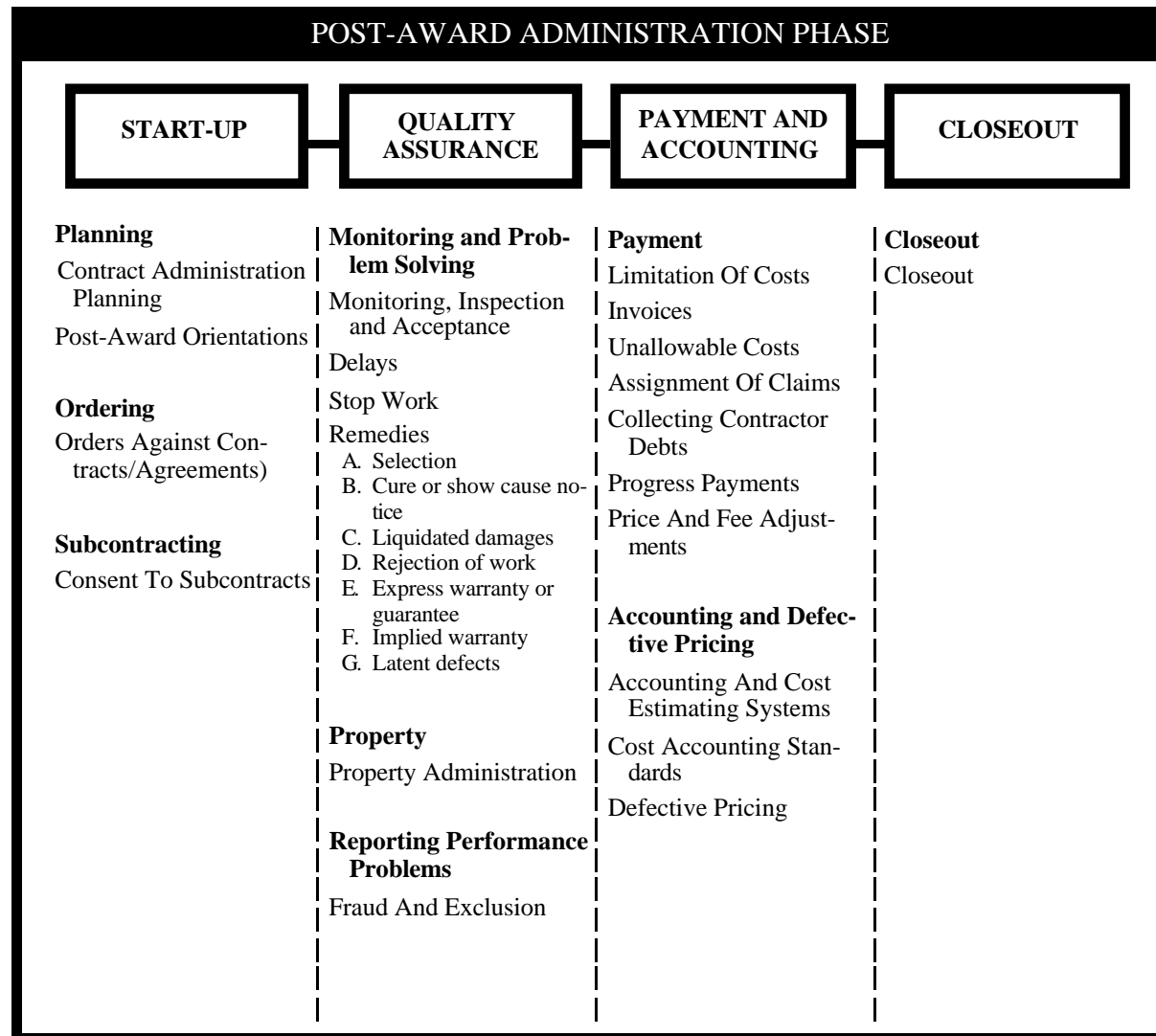
Reimbursable Contractor Costs

Factor	Question	Example
Terms of Contract	May the invoiced cost be paid under the contract's terms and conditions?	The Gov't might not have to reimburse the contractor for costs in excess of the total estimated cost in the schedule for a cost reimbursable contract.
Limitations in FAR Part 31	Is the Gov't prohibited by Part 31 from paying the cost as invoiced?	The Gov't is prohibited by FAR 31.205-51 from paying for the costs of alcoholic beverages.

Eight Steps to Contract Closeout

- 5. Verify that there are no outstanding claims or disputes**
- 6. Make final payment and de-obligate any remaining funds**
- 7. Prepare a contract completion statement and, based on the retention schedule in FAR 4.805, provide for the disposal of files**
- 8. Determine whether to invoke phase-in/phase-out rights when "Continuity of Services" are required**

Post-Award Administration Phase



Modifications, Terminations, and Claims

			SPECIALITIES
CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS
Modifications/Options Contract Modifications A. Contract Modifications B. Exercising Options	Termination Termination A. Determine whether to terminate for convenience or default B. Terminating for convenience C. Terminating for default Bonds (administering bonds)	Claims Claims	ADP/Telecommunications Construction A&E Systems Procurement Simplified Purchasing Real Property Leasing

Contract Modification

			SPECIALITIES
CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS
Modifications/Options Contract Modifications A. Contract Modifications B. Exercising Options			

Termination

			SPECIALITIES
CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS
	Termination Termination A. Determine whether to terminate for conven- ience or default B. Terminating for con- venience C. Terminating for default Bonds (administering bonds)		

Claims

SPECIALITIES			
CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS
		Claims Claims	

Specialized Areas

			SPECIALITIES
CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS
			ADP/Telecommunications Construction A&E Systems Procurement Simplified Purchasing Real Property Leasing

Modifications, Terminations, and Claims

CONTRACT MODIFICATION	TERMINATION	CLAIMS	SPECIALIZED AREAS
Modifications/Options Contract Modifications A. Contract Modifications B. Exercising Options	Termination Termination A. Determine whether to terminate for convenience or default B. Terminating for convenience C. Terminating for default Bonds (administering bonds)	Claims Claims	ADP/Telecommunications Construction A&E Systems Procurement Simplified Purchasing Real Property Leasing

Standards of Conduct

Apply to all Government Personnel including:

- **Contracting Personnel**
- **Technical and Engineering Personnel**
- **Financial Personnel**
- **Clerical, Support, and Administrative Personnel**

Can you name any others?

PROHIBITED CONDUCT (Government)

- **Taking bribes**
- **Representing contractors**
- **Making or recommending official decisions in which you have a financial interest**
- **Conspiring to defraud the Government**

PROHIBITED CONDUCT (Government) (Continued)

- **Making false statements and covering up unethical conduct**
- **Disclosing source selection or proprietary information**
- **Contracting with Government employees**
- **Contracting with members of Congress**

PROHIBITED CONDUCT (Contractors)

- **Offers of employment**
- **Collusive pricing**
- **Contractor gratuities to Government Personnel**
- **Anti-trust violations**
- **Contingent fees**
- **Subcontractor kickbacks**
- **Unreasonable restrictions on subcontractor sales**